

Introduced by Senator Ducheny

February 24, 2006

An act to add Section 37606.1 to the Government Code, relating to municipal hospitals.

LEGISLATIVE COUNSEL'S DIGEST

SB 1801, as introduced, Ducheny. Municipal hospitals: closed meetings.

Existing law authorizes the board of trustees that manages a municipal hospital to meet in closed session to discuss reports of hospital trade secrets, as defined, with specified exceptions.

This bill, in the case of a municipal hospital with a board of trustees appointed by a city council, would similarly authorize the city council to meet in closed session to discuss reports of that hospital's trade secrets.

This bill would also state findings and declarations of the Legislature for limiting the public's right of access to specified meetings of a legislative body of a local agency.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 37606.1 is added to the Government
- 2 Code, to read:
- 3 37606.1. (a) When a municipal hospital established pursuant
- 4 to this article is managed by a board of trustees that is appointed
- 5 by the city council, the city council may meet in closed session
- 6 for the purpose of discussion, deliberation, or both, of reports
- 7 involving trade secrets of the municipal hospital, provided that

1 representatives of the hospital governing body, hospital officers,
2 or employees or other representatives of the hospital may attend,
3 and that, except as provided in this section, the closed session
4 complies with all applicable requirements of Chapter 9
5 (commencing with Section 54950) of Division 2 of Title 5.

6 (b) “Hospital trade secrets,” as used in this section, means a
7 “trade secret,” as defined in subdivision (d) of Section 3426.1 of
8 the Civil Code, and which meets all of the following:

9 (1) Is necessary to initiate a new hospital service or program
10 or add a hospital facility.

11 (2) Would, if prematurely disclosed, create a substantial
12 probability of depriving the hospital of a substantial economic
13 benefit.

14 (c) The exception provided in subdivision (a) to the general
15 open meeting requirements for a meeting of the city council shall
16 not apply to a meeting where there is action taken, as defined in
17 Section 54952.6.

18 (d) Nothing in this section shall be construed to permit the city
19 council to order a closed meeting for the purposes of discussing
20 or deliberating, or to permit the discussion or deliberation in any
21 closed meeting of, any proposals regarding any of the following:

22 (1) The sale, conversion, contract for management, or leasing
23 of any municipal hospital or the assets thereof, to any for-profit
24 or nonprofit entity, agency, association, organization,
25 governmental agency, person, partnership, corporation, or
26 hospital district.

27 (2) The conversion of any municipal hospital to any other
28 form of ownership by the city.

29 (3) The dissolution of the municipal hospital.

30 SEC. 2. The Legislature finds and declares that Section 1 of
31 this act, which adds Section 37606.1 to the Government Code,
32 imposes a limitation on the public’s right of access to the
33 meetings of public bodies or the writings of public officials and
34 agencies within the meaning of Section 3 of Article I of the
35 California Constitution. Pursuant to that constitutional provision,
36 the Legislature makes the following findings to demonstrate the
37 interest protected by this limitation and the need for protecting
38 that interest:

39 In order to ensure that a city council can discuss or deliberate
40 about a municipal hospital without disclosing the hospital’s trade

- 1 secrets, it is necessary that the council be authorized to meet in
- 2 closed session for this purpose.

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